

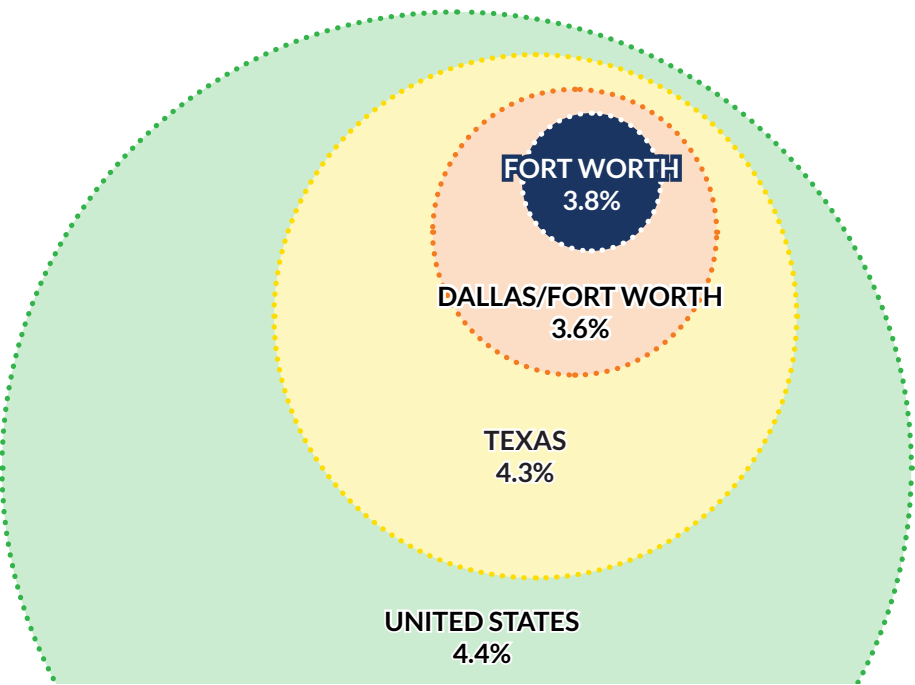


CHAPTER 2

ECONOMIC TRENDS

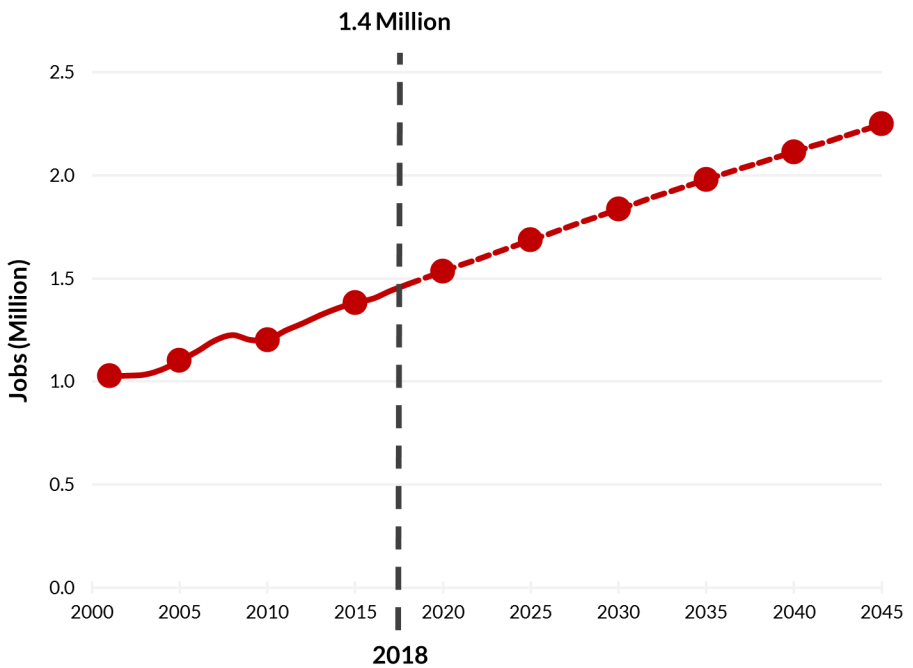
The prosperity of Fort Worth is linked to domestic and international changes. During the 1970s and 1980s, the local economy was driven primarily by a large and successful aerospace and defense industry. Substantial cutbacks in defense contracts prompted the City to begin working towards diversifying its economy in the 1990s, largely through small business development. The result is an economy that is today diversified in many industry sectors such as services, trade, manufacturing, transportation, communication, and construction. This diverse employment base helped Fort Worth weather the recent Great Recession and continue to grow its local economy.

UNEMPLOYMENT RATE - 2017



Source: Texas Workforce Commission

TOTAL EMPLOYMENT 2000 - 2045



Source: The Perryman Group, Fort Worth-Arlington MD

2,277,892

PROJECTED TOTAL
EMPLOYMENT BY
2045

\$75,200

MEDIAN FAMILY
INCOME
2018

\$219,000

MEDIAN HOUSE
SALE PRICE
2017

3.7%

UNEMPLOYMENT
RATE
2017

SERVICE 39.9%
TRADE 15.8%
GOVERNMENT 13.2%

TOP 3 EMPLOYMENT
SECTORS
2018

Sources: The Perryman Group, Fort Worth-Arlington MD; HUD User.com; Texas A&M Real Estate Center; Texas Workforce Commission

PROJECTED INDUSTRY GROWTH THROUGH 2023

INDUSTRY SECTOR	EMPLOYMENT		REAL GROSS PRODUCT	
	ABSOLUTE CHANGE	ANNUAL GROWTH	ABSOLUTE CHANGE	ANNUAL GROWTH
AGRICULTURE	50	0.42% ↑	\$0.011 B	1.11% ↑
MINING	1,728	2.12% ↑	\$4.688 B	4.34% ↑
UTILITIES	153	0.97% ↑	\$0.260 B	2.32% ↑
CONSTRUCTION	3,845	1.23% ↑	\$0.833 B	2.37% ↑
MANUFACTURING	4,328	0.88% ↑	\$4.440 B	3.86% ↑
TRADE	15,020	1.67% ↑	\$3.977 B	3.79% ↑
TRANSPORTATION & WAREHOUSING	8,248	1.84% ↑	\$1.763 B	3.51% ↑
INFORMATION	589	1.03% ↑	\$0.685 B	4.35% ↑
FINANCE, INSURANCE, & REAL ESTATE	4,046	1.23% ↑	\$2.436 B	2.99% ↑
SERVICES	66,354	2.86% ↑	\$6.465 B	4.37% ↑
GOVERNMENT	7,787	1.05% ↑	\$1.344 B	2.23% ↑

Source: The Perryman Group, Fort Worth-Arlington MD

ANNUAL EMPLOYMENT GROWTH 2018-2023



Source: The Perryman Group, Fort Worth-Arlington MD

ANNUAL REAL GROSS PRODUCT INCREASE 2018-2023



Source: The Perryman Group, Fort Worth-Arlington MD

Growth and development in the Fort Worth-Arlington area is expected to occur at a pace significantly faster than the nationwide rate.

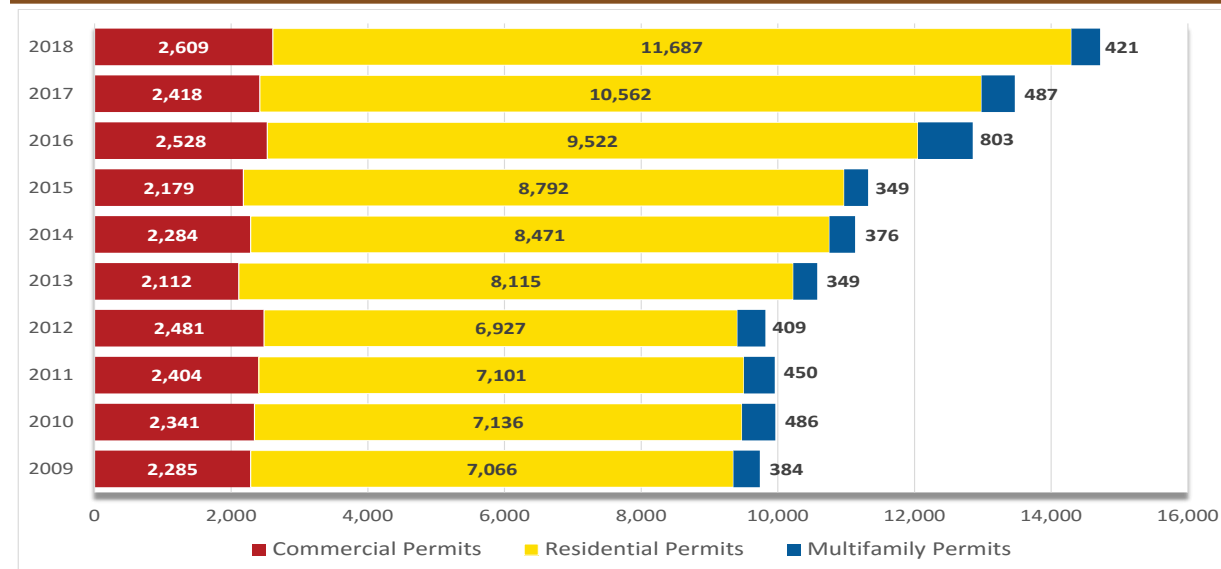
Employment is projected to grow by a little over 112,000 net new positions, led by the services sector. Real gross product is forecast to expand at a 3.68% annual pace, resulting in a gain of about \$26.9 billion by 2023. Key growth sectors are likely to be services, information, and manufacturing.

KEY INDICATORS 2018 - 2023

ECONOMIC INDICATOR	2018 LEVEL	2023 LEVEL	FIVE YEAR INCREASE	ANNUAL GROWTH
REAL GROSS PRODUCT	\$135.8 B	\$162.7 B	\$26.9 B	3.68% ↑
REAL PERSONAL INCOME	\$114.1 B	\$135.9 B	\$21.7 B	3.55% ↑
REAL RETAIL SALES	\$38.2 B	\$45.3 B	7.1 B	3.47% ↑
EMPLOYMENT	1.1 M	1.2 M	112.1 TH	1.97% ↑

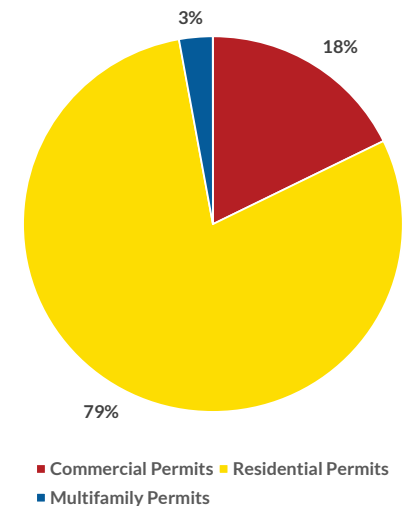
Source: The Perryman Group, Fort Worth-Arlington MD

FORT WORTH BUILDING PERMITS 2009 - 2018

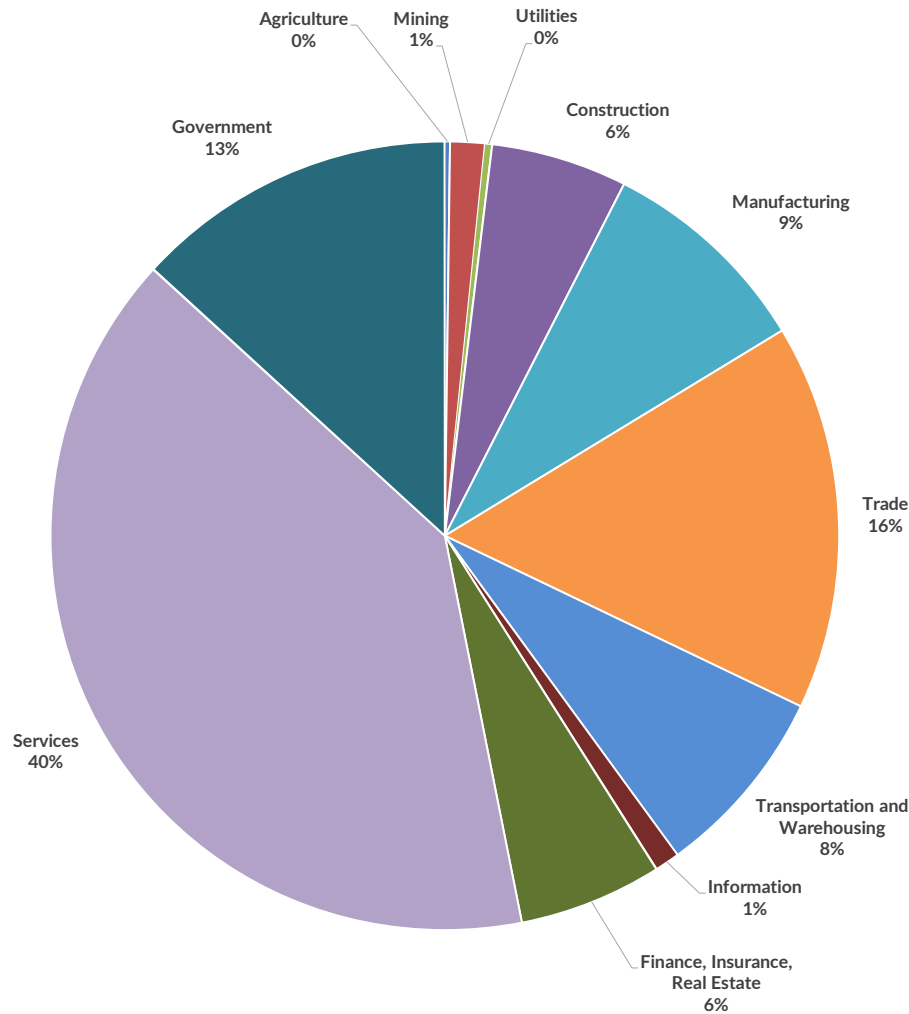


Source: City of Fort Worth, 2018

2018

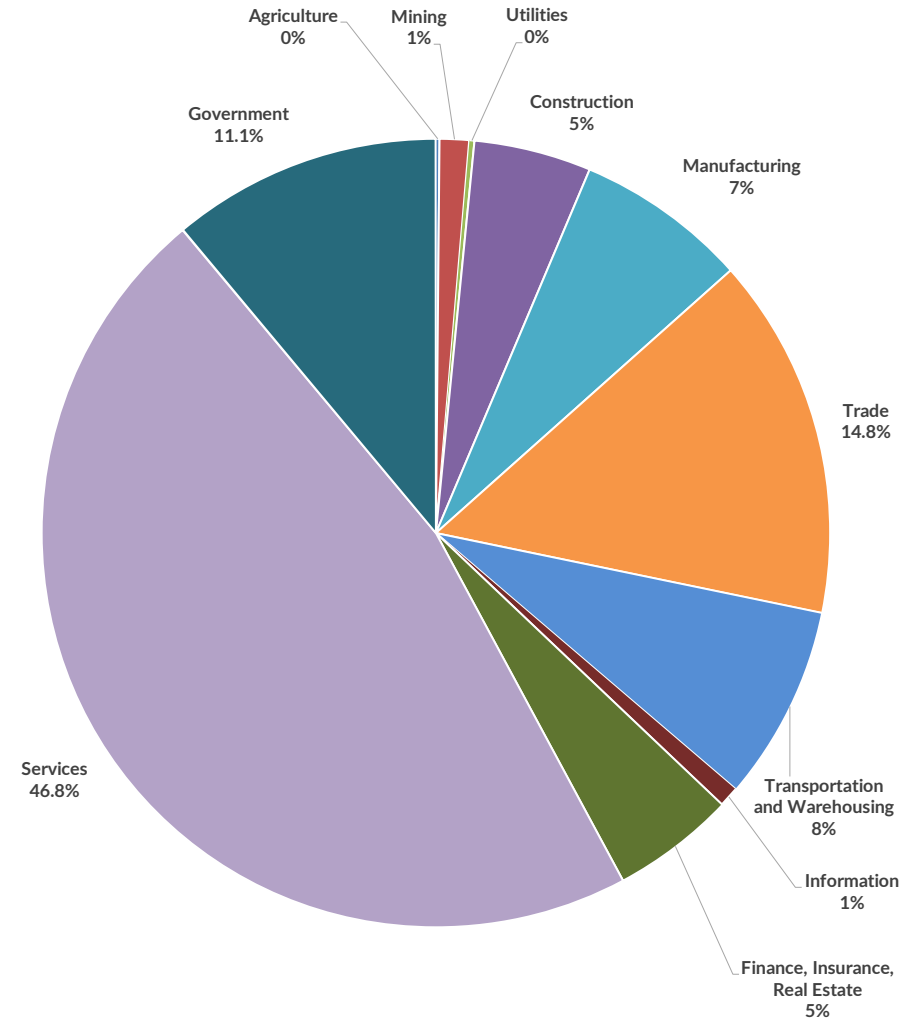


2018 EMPLOYMENT BY INDUSTRIAL SECTOR



Source: The Perryman Group, Fort Worth-Arlington MD

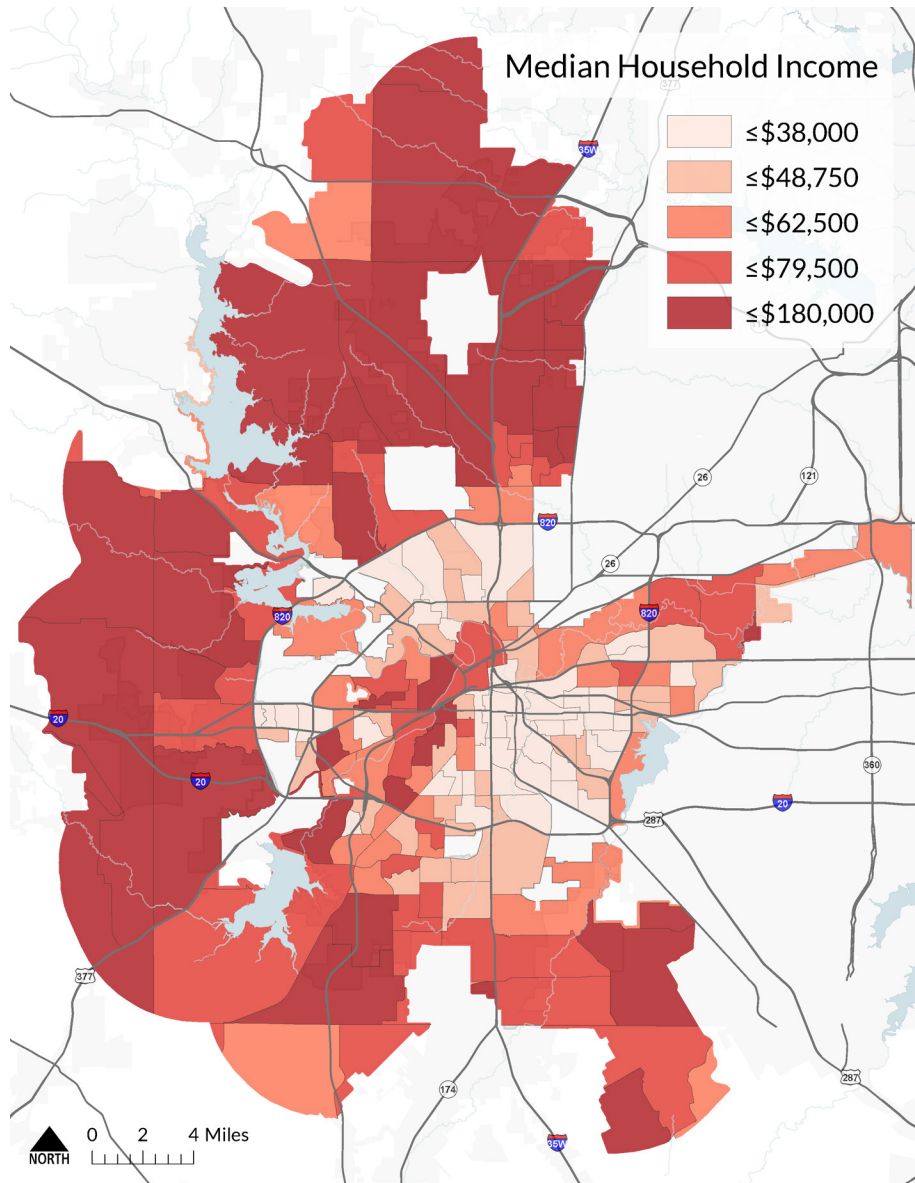
2045 PROJECTED EMPLOYMENT BY INDUSTRIAL SECTOR



Source: The Perryman Group, Fort Worth-Arlington MD

The Fort Worth-Arlington area has been experiencing growth across most sectors of the economy. Recovery in oil and natural gas will continue to benefit the region. The area will also likely strengthen its position as a center for logistics. Several communities within the area have experienced strong growth in both population and business activity.

MEDIAN HOUSEHOLD INCOME



Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

Median household incomes remain highest in the Downtown, Arlington Heights, TCU/Westcliff, Far North, Far Northwest, Far West, Far South, Far Southwest and parts of the Eastside sectors.

Median family income for the Fort Worth-Arlington HUD Metro Fair Market Rent (FMR) Area increased from \$60,300 to \$75,200 between 2003 and 2018, an average annual increase of about 1.5% over the 16-year period.

MEDIAN FAMILY INCOME 2003 - 2018



Source: Department of Housing and Urban Development FMR Area

RETAIL SALES PER PERSON, FORT WORTH 2003 - 2017



In 2017, per capita retail sales in Fort Worth totaled \$14,378 per person, a 14 percent decrease from 2016, and lower than the Fort Worth-Arlington MD retail sales of \$16,177 and the Dallas-Plano-Irving MD, which had a per capita retail sales figure of \$16,813.

Source: The Perryman Group

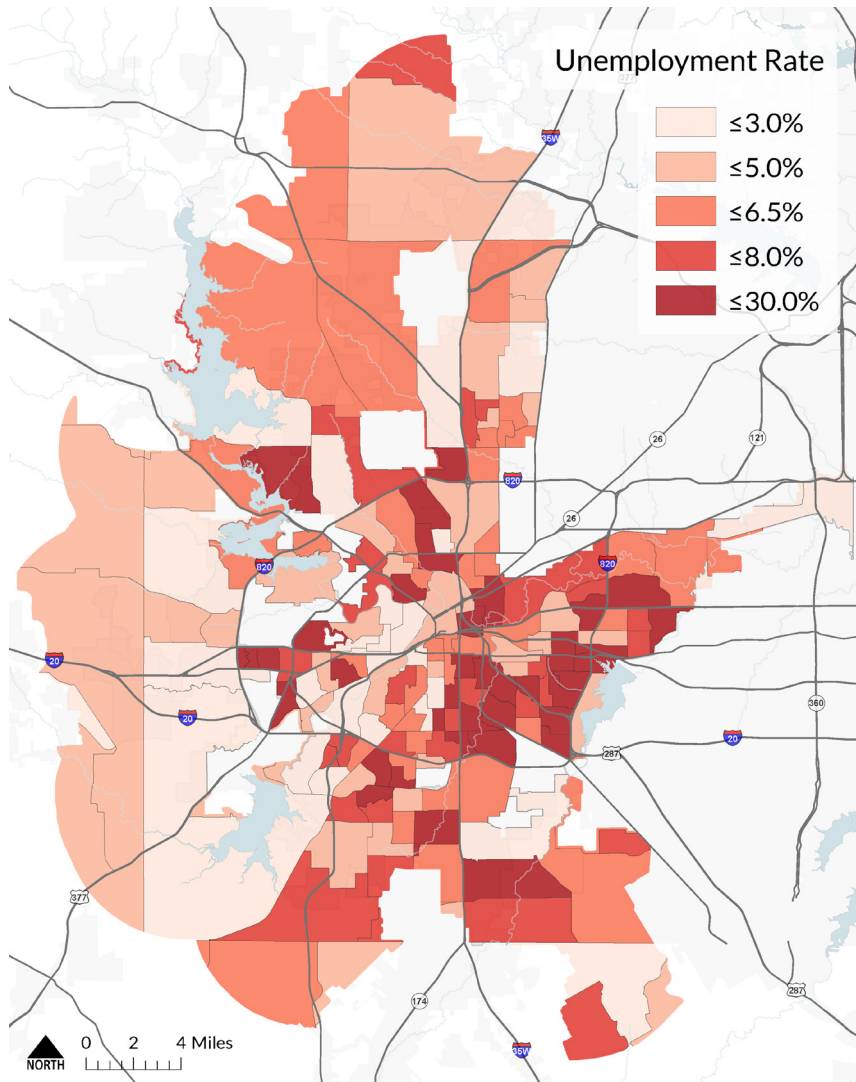
Source: Texas Comptroller of Public Accounts and U.S. Census Bureau

INFLOW/OUTFLOW FOR CITY OF FORT WORTH, 2015



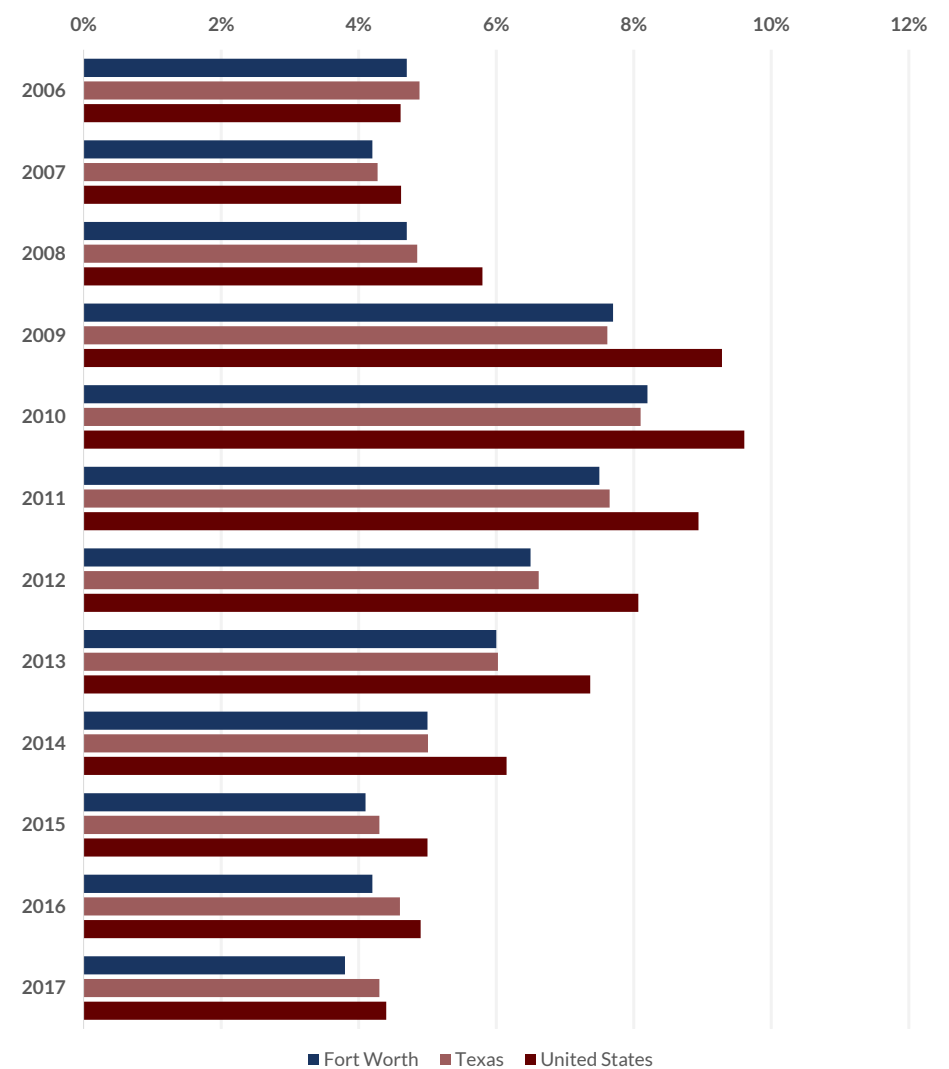
Source: U.S. Census Bureau, Center for Economic Studies

ANNUAL UNEMPLOYMENT RATE



Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

ANNUAL UNEMPLOYMENT RATE 2006 - 2017



Source: Texas Workforce Commission

Fort Worth's unemployment rate experienced a spike from 2009 to 2011 due to the national recession, but rates began falling in 2011. The State of Texas and the City of Fort Worth have experienced lower unemployment rates than the nation as a whole during the recession and subsequent economic recovery.

CHALLENGES AND OPPORTUNITIES

The changing economy provides Fort Worth with several challenges and many opportunities. The national, state, and local economies emerged from the 2007-2008 recession. Fort Worth fared well during this time due to its diverse economy and its close proximity to Alliance and D/FW airports and the Interstate 35 corridor. In addition, the community's pro-business stance has helped diversify the Fort Worth economy.

In late 2017, Fort Worth completed its first economic development strategic plan, aimed at enhancing the city's status in the region and nation over the next five years and beyond. The plan's key findings are listed below.

- Fort Worth is the fastest growing, among the 20 largest US cities.
- Fort Worth has relatively low external visibility among large US cities, but has unique assets available to raise the city's profile.
- The city has a vast reserve of land to drive growth, but residential uses dominate the tax base.
- The city's jobs-housing balance is eroding.
- Fort Worth residents are increasingly dependent on jobs in other cities.
- Dallas-Fort Worth is a talent magnet, drawing new residents from across the US.
- Fort Worth has districts at different stages, which can drive economic development.
- Investment in the urban core (downtown & surrounding areas) benefits the entire city.
- Fort Worth has key occupational strengths:
 - General: transportation, installation, production
 - Specific: aerospace & geotechnical engineering

The policies and programs of the City must be continuously examined to ensure that they help mitigate the impacts of economic downturns, while promoting and enhancing Fort Worth's economic strengths to position Fort Worth to compete successfully on the national and international stage for creative, high growth businesses and the talented individuals who fuel them.